

ENVIRONMENTAL SERVICES DEPARTMENT

Impact Analysis Report

OVERVIEW

The Environmental Services Department administers two fee programs as part of the Integrated Waste Management Program: Source Reduction and Recycling Fees (AB939 Fees, which are described further in Exhibit A), and Franchise Application Fees.

Projected fee revenue for 2008-2009 totals \$4.20 million. This represents an increase of almost \$50,000 from 2007-2008, reflecting revenue projections based on the latest activity levels in the Commercial Solid Waste AB939 Fee.

SUMMARY AND IMPACT OF ADOPTED FEE REVISIONS

Commercial Solid Waste AB939 Fee – For 2008-2009, no changes are included for the Commercial Solid Waste AB939 Fees. Fees remain at \$0.89 per cubic yard for loose commercial solid waste and \$2.67 per cubic yard for compacted commercial solid waste. In addition, the Commercial Solid Waste Franchise Fees (adopted through a separate resolution outside this document) remain unchanged at \$3.67 per cubic yard for loose commercial solid waste and \$11.01 per cubic yard for compacted commercial solid waste. The total Commercial Solid Waste fee load (AB939 and Franchise Fees), remains at \$4.56 per cubic yard (for loose waste) and \$13.68 per cubic yard (for compacted waste). It should be noted that the recycling/diversion rate is one of the highest in the nation for a large city. In addition, this fee is not charged for waste collected from public school districts providing education in grades K-12 (or any grades within K-12) and

adult education institutions supported by public funds that have entered into Waste Reduction Agreements with the City.

Landfill AB939 Fee (Waste Disposal) – The County AB939 Fee charged at landfills and transfer/processing will decrease from \$3.72 to \$3.55 per ton of disposed waste due to a decrease in the County portion of the fee from \$2.22 to \$2.05. The San José portion of this fee of \$1.50 will remain the same. Pursuant to agreements between San José and Santa Clara County, \$1.50 per ton of this fee is distributed to the cities for activities related to recycling, and \$2.05 is used by the County and participating cities for Household Hazardous Waste programs. The City does not collect a separate fee as long as the County-wide fee is in effect at this level.

NOTIFICATION

The Proposed Fees and Charges Report was released on May 2, 2008 allowing for a minimum of ten days for public review. Public input on fee proposals was heard by the City Council during public hearings held on Tuesday, May 13, 2008 and Monday, June 16, 2008 at 7:00 p.m. in the City Council Chambers.

DEPARTMENTAL FEES AND CHARGES

ENVIRONMENTAL SERVICES

Service	2007-2008 Adopted Fee	2007-2008 % Cost Recovery	2008-2009 Adopted Fee	2008-2009 Estimated Cost	2008-2009 Estimated Revenue		2008-2009 % Cost Recovery	
					Current Fee	Adopted Fee	Current Fee	Adopted Fee
ENVIRONMENTAL SERVICES FEES - CATEGORY I								
1. Franchise Application Fees								
1 Commercial Solid Waste Application Fee	\$195 per application		No Change					
Sub-total Franchise Application Fees		100.0%		390	390	390	100.0%	100.0%
SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY I		100.0%		390	390	390	100.0%	100.0%
ENVIRONMENTAL SERVICES FEES - CATEGORY II								
1. Source Reduction and Recycling								
1 Commercial Solid Waste	\$0.89/uncompacted cubic yard collected; \$2.67/compacted cubic yard collected (paid by generators) effective August 1, 2006	64.0%	No Change	4,547,488	3,204,302	3,204,302	70.5%	70.5%
2 Commercial Solid Waste - City Facilities	\$14.83 per ton collected from City facilities in rolloff boxes		Delete Fee					
3 Landfill - Waste Disposal Note: San José receives only a portion of these fees collected by the County based on surplus available from the County after administration of the Household Hazardous Waste program.	\$3.72 per ton (\$1.50 per ton San José portion - fee collected by County; \$2.22 per ton - fee collected by the County for Household Hazardous Waste Programs)		\$3.55 per ton (\$1.50 per ton San José portion - fee collected by County; \$2.05 per ton - fee collected by the County for Household Hazardous Waste Programs)		1,000,000	1,000,000		
Sub-total Source Reduction and Recycling		87.9%		4,547,488	4,204,302	4,204,302	92.5%	92.5%
SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY II		87.9%		4,547,488	4,204,302	4,204,302	92.5%	92.5%

DEPARTMENTAL FEES AND CHARGES

ENVIRONMENTAL SERVICES

Service	2007-2008 Adopted Fee	2007-2008 % Cost Recovery	2008-2009 Adopted Fee	2008-2009 Estimated Cost	2008-2009 Estimated Revenue		2008-2009 % Cost Recovery	
					Current Fee	Adopted Fee	Current Fee	Adopted Fee
TOTAL DEPARTMENT - NON-GENERAL FUND				4,547,878	4,204,692	4,204,692	92.5%	92.5%
TOTAL DEPARTMENT - Category I				390	390	390	100.0%	100.0%
TOTAL DEPARTMENT - Category II				4,547,488	4,204,302	4,204,302	92.5%	92.5%
TOTAL DEPARTMENT				4,547,878	4,204,692	4,204,692	92.5%	92.5%

***SOURCE REDUCTION AND RECYCLING ELEMENT PROGRAMS
FUNDED FROM AB939 FEES***

General Solid Waste Management

Provides oversight, analysis, and coordination of all Source Reduction and Recycling Element programs and activities.

Source Reduction

Provides public information and education, sampling of public opinion to determine attitudes about source reduction issues, and evaluation of different types of educational approaches, including back yard composting programs. Works with Non-Profit Recyclers and other local organizations to promote source reduction and reuse.

Commercial Recycling

Provides outreach, technical assistance, and educational assistance to the commercial sectors of the City. Also manages non-exclusive hauling franchises and the Construction and Demolition Recycling Program. Develops and implements programs to reach the City's waste reduction and diversion goals.

Evaluation Component

Provides evaluation of the effectiveness of and participation rates for the department's recycling programs, and makes recommendations for improving programs.

Market Development

Provides policy and technical analysis, program promotion, contingency planning, legislative advocacy, expansion of local recycling manufacturing activities, and expansion of City procurement of recycled products.

Civic Recycling

Provides storage containers, training, and recycling services for public areas, parks, and other City facilities. Administers City/County Funding from the State Department of Conservation for beverage container recycling. Coordinates with other City departments and outside agencies regarding litter control.